Personal Taxpayer Series
IR 125

Inland Revenue

Using your own car for work

This leaflet is for employees who use their own cars when they travel on business

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There is also a section on questions that we get asked most often by people who use their own cars for business travel. If there is something we have not covered, or you are in doubt about anything in this guide, please contact any Inland Revenue Enquiry Centre or Tax Office. Details are in your phone book under 'Inland Revenue'.

Using your own car for business travel and how it affects your tax

If you use your own car for business travel you can get tax relief for the costs that your employer does not meet.

What if I am paid a car or mileage allowance?

Most employees who use their own cars to travel on business are paid a car or mileage allowance by their employer to cover some or all of the motoring costs. It can be in the form of a lump sum or periodic payments, but usually the allowance is based on an amount per mile.

If you are paid a car or mileage allowance, it is part of your income and is taxable to the extent that it exceeds your business motoring costs.

To work out your tax position you need to know whether the allowances you have received from your employer are more or less than the costs of your business motoring. If the allowances come to more than the costs, you have received a profit which is taxable. If the allowances come to less than the costs, you can get relief against your earnings on the difference.

Later on we give some examples of how to work out whether your allowances come to more or less than your business motoring costs.

What if I am not paid a car or mileage allowance?

You can get relief against your earnings for your business motoring costs.

Keeping a record of your allowances and your business travel

To work out if the car or mileage allowances you have received from your employer come to more or less than your business motoring costs, you first need to know

- what allowances you were paid during the tax year (a tax year runs from 6th April in one year to 5th April in the next)
- your total business mileage during the year.

Your employer may give you this information, but not necessarily; it will depend on whether your employer has agreed special reporting arrangements with the Inland Revenue for car and mileage allowances paid to employees (see page 17).

It is important that you keep your own record of your allowances and your business mileage so you can

- check your PAYE tax code
- complete a tax return fully and accurately, if you get one
- claim tax relief for travel expenses
- answer any enquiries from your Tax Office.

To help you, we have included a log sheet at the back of this leaflet which you can use to keep a record of your allowances and your business mileage.

What journeys qualify as business travel?

Two types of journey count as business travel for tax relief

- those you have to make in the course of doing your job. For example, if you travel from your office to visit a client. If you use your own car, you can get tax relief for your motoring costs, to the extent that your employer does not meet them

- those you make to or from a place you have to attend in order to do your job. This does not include private mileage, that is journeys which are ordinary commuting or private travel. For example, if, instead of going to your office, you travel directly from home to visit a client, that is business travel, for which you can get tax relief (unless the journey is, for practical purposes, the same as your ordinary commuting journey, because, say, the client's premises are just down the road from your office).

You cannot get tax relief for your ordinary commuting or for private travel

'Ordinary commuting' is travel between your home, or any other place you attend for personal reasons (such as the home of a friend or relative) and your usual workplace. 'Private travel' is any other travel where the purpose is not business.

If you are paid an allowance for any journey which is ordinary commuting or private travel, your employer should deduct tax from it under Pay As You Earn (PAYE).

How do I work out if I have a taxable profit on my allowances or if I can get tax relief on my business motoring costs?

There are two ways you can do it; **the simple method** or **the exact method** . The simple method will give you an approximate figure rather than an exact amount, but it will save you work.

- **The simple method** (which can be used from the 1996-97 tax year onwards) uses the Inland Revenue authorised mileage rates (see below).

If you use this method, you must keep a record of all your business miles and the car or mileage allowances you receive.

Simply multiply the number of business miles you travelled in the tax year by the appropriate authorised mileage rates. This gives you an amount which you can compare with the allowances you have received from your employer during the tax year. The examples starting on page 6 show you how to calculate this.

- **The exact method** using your actual motoring costs.

To use this method you have to keep details of your actual motoring costs during the tax year and a record of all your business and your private mileage.

Once you have this information you can then work out the proportion of the costs that relate to your business travel and compare it with the allowances you have received from your employer during the tax year. If the allowances come to more than your business motoring costs, you have received a taxable profit. If they come to less, you can get tax relief on the difference.

To calculate the tax position on your business travel using your actual motoring costs, see the section starting on page 8.

The Inland Revenue authorised mileage rates

Each year, around the beginning of December, we announce our authorised mileage rates for the following tax year. These rates are estimates of the average motoring costs for a range of car engine sizes. For each car engine size there are two rates

- a higher rate for the first 4,000 business miles (even if you use your car for only part of the tax year), and
- a lower rate for each business mile over 4,000 miles.

The different rates for business mileage over 4,000 miles a year reflect the fact that some costs, such as road tax and insurance, do not increase with greater mileage. The higher the total mileage, the lower the cost per mile of running a car. The different rates take account of this.

The following table shows the authorised mileage rates which apply for both 1998-99 and 1999-2000. Your Tax Office or local Inland Revenue Enquiry Centre will be able to tell you the rates for other tax years.

Authorised rate per mile		
Size of car engine	on the first 4,000 miles in the tax year	on each mile over 4,000 miles in the tax year
up to 1,000 cc	28p	17p
1,001-1,500 cc	35p	20p
1,501-2,000 cc	45p	25p
over 2,000 cc	63p	36p

How do I work out the tax position on my business travel using the simple method?

You need to do two things

- add up all the car or mileage allowances you received from your employer during the tax year, and

- multiply the authorised mileage rate (or rates) for your car engine size by the number of business miles you travelled in the tax year.

Example 1

Ann uses her own 1,800 cc car for business travel. In the tax year 1999-00, that is between 6 April 1999 and 5 April 2000, Ann travels 5,000 miles on business. Her employer pays her 44p a mile for all her business miles.

Step 1

Total business miles travelled	5,000		

Step 2

For 1999-00, the authorised mileage rates for this size of car are			
first 4,000 miles at 45p a mile		£1,800	
next 1,000 miles at 25p a mile		£ 250	
Total authorised mileage rates		**£2,050**	**(A)**

Step 3

Total car and mileage allowances received from employer			
5,000 at 44p per mile		**£2,200**	**(B)**
Difference between A and B		**£ 150**	**(C)**

Step 4

If B is bigger than A, C is the amount of taxable profit.
If A is bigger than B, C is the amount on which Ann can claim tax relief.

In this example, B is bigger than A, so Ann has to pay tax on the profit of £150 (C).

You can use the following working sheet to work out your tax position using the authorised mileage rates.

Working sheet 1

Total business miles travelled ——————————

First 4,000 business miles at .....p—————— £ ——————

Next .....business miles at .....p—————— £ ——————

Total authorised mileage rates £ —————— **A**
Car and mileage allowances received from employer £ —————— **B**
Difference between A and B £ —————— **C**

If B is bigger than A, C is the profit you have to pay tax on.
If A is bigger than B, C is the amount on which you can claim tax relief.

Example 2

Jack uses his own 1,200 cc car for business travel. He is paid a mileage allowance of 30p a mile, but whenever he drives direct from home to a business appointment away from his usual office, his employer does not pay for the first 20 miles that Jack would have driven anyway if he had made his usual commuting journey. In 1999-00, Jack travels 6,000 miles on business but his employer pays him a mileage allowance for only 4,800 miles, so he receives £1,440 (4,800 x 30p).

Using the working sheet to calculate Jack's tax position

Total business miles travelled	6,000	
First ***4,000*** business miles at	***35p a mile***	£1,400
Next ***2,000*** business miles at	***20p a mile***	£ 400
Total authorised mileage rates		£1,800 **A**
Car and mileage allowances received from employer		£1,440 **B**
Difference between A and B		£ 360 **C**

If B is bigger than A, C is the profit Jack will have to pay tax on.
If A is bigger than B, C is the amount on which Jack can claim tax relief.

So, in this example, Jack can claim tax relief on £360(C).

We tell you on page 20 what to do when you have worked out if there is a taxable profit or if you can claim tax relief.

How do I work out the tax position on my business travel using the exact method?

You need to have details of three things

- the total car or mileage allowances you have received from your employer during the tax year
- your actual motoring costs for the tax year, and
- a record of your total business and private mileage during the tax year.

You can then work out the proportion of the costs that relate to your business travel and compare it with the allowances you have received from your employer. If the total allowances you have received come to more than the business proportion of the costs, then you have received a profit which is taxable. If the costs come to more than the allowances, you can get tax relief against your earnings for the difference.

There are examples and working sheets on the following pages which show you how to do the calculations.

What motoring costs should I include?

- insurance
- road fund licence
- fuel and oil
- servicing and repairs
- depreciation (that is, the drop in value through age and use).

The allowance you can claim for depreciation is called a **"capital allowance"**. **The first time you claim a capital allowance for your car**, the allowance is based on

- the cost of the car, if you bought it in the same tax year you started using it for business, or

- the market value, if you bought it in an earlier tax year. By market value we mean the price you might reasonably expect it to fetch in a sale on the open market.

The maximum allowance you can claim in the first year is 25% of the cost or the market value, whichever is appropriate.

In subsequent years , the allowance is again 25% of the value - that is, after deducting the capital allowance from the value at the end of the previous year.

For instance, the capital allowance on a car bought for £10,000 and used for business straightaway, is 25% or £2,500. Next year, the allowance is calculated on £7,500, the carried forward value from last year (that is £10,000 less £2,500) and you may claim 25% of this (£1,875). In the third year, the allowance is calculated on £5,625 (£7,500 less £1,875) and you can claim 25% of this (£1,406) and so on.

The allowance is subject to the following restrictions

- it is limited to a maximum of £3,000 a year
- it is restricted to the part of the year for which you held your job, if you only started it part way through the tax year
- as with your other motoring costs, you can only get tax relief on the proportion of your capital allowances that relate to your business travel.

The following working sheet shows how to calculate capital allowances using two different cars, to show how the restrictions work.

You can use the following working sheet to work out the capital allowances on your car.

Working sheet 2

Date started job				
Cost of car or market value		£	A	
Capital allowance 25% x A (restricted to a maximum of £3,000)		£	B	=
Capital allowance in the first year	B x proportion of tax year for which you had the job		C	
Carried forward value at the end of the first year	A minus C	£	D	
Capital allowance in the second year	25% x D		E	
Carried forward value at the end of the second year	D minus E	£	F	

You continue like this for each further complete tax year during which you use the car for work.

	Example Unrestricted allowance		**Example Allowance restricted to £3,000**
	1 June 1998		1 June 1998
	£9,600		£13,600
25% x £9,600 =	£2,400	25% x £13,600 = £3,400 restricted to maximum	£3,000
1-6-98 to 5-4-99 10 months 10/12 x £2,400 =	£2,000	10/12 x £3,000 =	£2,500
£9,600 - £2,000 =	£7,600	£13,600 - £2,500 =	£11,100
25% x £7,600 =	£1,900	25% x £11,100 = (no restriction needed as less than £3,000)	£2,775
£7,600 - £1,900	£5,700	£11,100 - £2,775 =	£8,325

Special rules apply for the year when the car is sold, or when you stop using it for work.

If you have used the exact method of calculating actual motoring costs in every year that you have used your car for work, you will need to calculate the difference between

- the disposal value, that is the sale proceeds or the value of the car when you stopped using it for work, and
- the value for capital allowances at the start of the year, that is the original cost less the total capital allowances for earlier years.

If the disposal value is **less,** the difference is called the "balancing allowance" and you can claim tax relief on the business proportion of it (averaged over the life of the car). The £3,000 allowance limit does **not** apply in the year of sale.

If the disposal value is **more**, the difference is called the "balancing charge". This time, the business portion (again, averaged over the life of the car) is added to your taxable pay for the year.

Examples of balancing allowances and charges for a car which has been used for business for half of the time (averaged over its life).

Disposal value	Value for capital allowances at the start of the year	Difference	Balancing allowance or charge
£4,000	£5,000	£1,000	Balancing allowance is £1,000 x 50% (that is, the business half of the car's life) = £500 for which you can claim relief
£6,000	£4,000	£2,000	Balancing charge is £2,000 x 50% = £1,000 to be added to your taxable pay for the year

If you originally bought your car from someone you are connected to, such as a relative, special rules apply when you sell your car. Your local Tax Office or any Inland Revenue Enquiry Centre will be able to give you more details.

If you have not used the exact method of calculating actual motoring costs in every year (because in some years you used the simple method described on page 5), the balancing allowance for the final year (but not the balancing charge) must be multiplied by the fraction X/Y where

- X is the number of years when you used the exact method, and
- Y is the total number of years that you used the car for work.

Here are two examples of how to calculate tax relief using the exact method

Example 3

Meg buys her own car for £6,000 and starts using it for business travel. In 1999-2000, that is between 6 April 1999 and 5 April 2000, Meg travels 10,000 miles, 2,500 of them on business. Her employer pays a mileage allowance of 30p a mile for all her business mileage.

Step 1

Total mileage allowances received:		
2,500 miles at 30p a mile		**£ 750 (A)**

Step 2

Calculate the total motoring costs for the year as follows		
Insurance	£ 400	
Road fund licence	£ 140	
Fuel and oil	£1,200	
Servicing and repairs	£ 300	
Capital allowance for the year is £6,000 x 25% = £1,500 (carry forward value for next year is £6,000 - £1,500 = £4,500)	£1,500	
Total motoring costs for the year	**£3,540**	**(B)**

Step 3

Business miles travelled	2,500	**(C)**
Total miles travelled	10,000	**(D)**
Proportion of motoring costs relating to business travel for the year		
2,500 **(C)** x £3,540 **(B)** / 10,000 **(D)**		**£ 885 (E)**

Step 4
Difference between **A** and **E** **£ 135 (F)**

So in this example, as E is bigger than A, Meg can claim tax relief on the difference of £135 (£885 - £750) against her earnings.

Example 4
The difference in this example is that the car is one Meg bought some time ago, on which she has claimed capital allowances before, and which has a carried forward value for capital allowances of £15,000 (see page 9).

Step 1
Total mileage allowances received:
2,500 miles at 30p a mile **£ 750 (A)**

Step 2
Calculate the total motoring costs for the year as follows

Insurance	£ 400	
Road fund licence	£ 140	
Fuel and oil	£1,200	
Servicing and repairs	£ 300	
Capital allowance for the year is £15,000 x 25% = £3,750 but this must be restricted to £3,000 (carry forward value for next year is £15,000 - £3,000 = £12,000)	£3,000	
Total motoring costs for the year	**£5,040**	**(B)**

Step 3

Business miles travelled	2,500	**(C)**
Total miles travelled	10,000	**(D)**

Proportion of motoring costs relating to business travel
2,500 **(C)** x £5,040 **(B)** **£1,260 (E)**
10,000 **(D)**

Step 4
Difference between **A** and **E** **£ 510 (F)**

As E is bigger than A, Meg can again claim tax relief on the difference of £510 (£1,260 - £750) against her earnings.

Here is an example to show you what to do when the car is sold or when you stop using your car for work, and you have not used the exact method every year.

Example 5

Meg sells the car for £11,000. It has a carried forward value for capital allowances of £15,000.

Step 1 (as above)

Total mileage allowances received:

2,500 miles at 30p a mile **£ 750 (A)**

Step 2

Calculate the total motoring costs for the year as follows

Insurance	£ 400
Road fund licence	£ 140
Fuel and oil	£1,200
Servicing and repairs	£ 300

Capital allowance:	
Carried forward value	£15,000
Disposal value	£11,000
Balancing allowance	£ 4,000

In this example the car was used for business for 5 years, but the exact method was only used to calculate relief in two tax years. So the maximum balancing allowance of £4,000 is multiplied by X/Y (see page 13) where X is the number of years the exact method was used and Y is the total number of years the car was used for business.

2 **(X)** = x 4,000 =	£1,600	
5 **(Y)**		
Total motoring costs for the year	**£3,640**	**(B)**

Step 3

Business miles travelled	2,500	**(C)**
Total miles travelled	10,000	**(D)**

Proportion of motoring costs relating to business travel

2,500 **(C)** x £3,640 **(B)** **£ 910 (E)**

10,000 **(D)**

Step 4
Difference between **A** and **E** **£ 160 (F)**

As E is bigger than A, Meg can again claim tax relief on the difference of £160 (£910 - £750) against her earnings.

You can use the following work sheet to work out the tax position using the exact method.

Working sheet 3

Calculation of total motoring costs (business and private) during the tax year

Step 1		£
Car and mileage allowance received from your employer		_____**A**
	£	
Step 2		
Insurance	_____	
Road Fund licence	_____	
Fuel and oil	_____	
Servicing and repairs	_____	
Capital allowance	_____	
Total motoring costs **for the year**	_____	**B**
Step 3		
Business miles travelled	_____	**C**
Total miles travelled	_____	**D**

Proportion of costs relating to business travel

_____ **C**
÷
_____ **D** **x** _____ **B** **=** _____**E**

Step 4
Difference between **A** and **E** _____**F**

If **A** is bigger than **E**, **F** is your taxable profit.
If **E** is bigger than **A**, **F** is the amount on which you can claim tax relief.

We tell you on page 20 what to do when you have worked out if there is a taxable profit or if you can claim tax relief.

What information will my employer give me?

It depends whether your employer has agreed special reporting arrangements with the Inland Revenue for car and mileage allowances paid to employees.

What happens if there are no special arrangements?

Your employer

- reports to the Tax Office the full amount of any car or mileage allowances paid to you over the course of the tax year

- will give you the details of what has been reported (or let you have a copy of the P11D report form itself) by 6 July after the end of the tax year. This information will show

  - the total amount of the allowances paid to you
  - the amount (if any) from which tax has been deducted (for example, your employer will have deducted tax on any allowance paid for private journeys)
  - the difference, which is taxable (but you may be able to claim relief for your business motoring costs to set against this).

Using this leaflet you will be able to work out what relief you can claim.

What happens if my employer has agreed special arrangements with the Inland Revenue?

There are three different types of special arrangement

- a dispensation
- a fixed profit car scheme (FPCS)
- a car allowances enhanced reporting scheme (CAERS).

Your employer will be able to tell you if any of them applies to you.

Your employer has a dispensation

If your employer pays you an allowance for business mileage at a rate which is the same or less than our authorised mileage rate, your employer's Tax Office may have issued a dispensation.

A dispensation means that, because there can be no tax to pay on the allowances (as the amount is less than our authorised mileage rates), the employer does not have to report details to us, or to you. By the same token, you do not have to include the allowances in your tax return, if you get one.

However, you can still get tax relief if the mileage allowances you receive amount to less than your actual business motoring costs for the year.

Example 6

Michael has a 1400 cc car. His employer pays him an allowance of 30p per mile for the first 4,000 business miles and 19p a mile above 4,000 business miles. These are less than the Inland Revenue's authorised mileage rates for that car engine size. His employer has a dispensation covering the payments.

Michael's records show that he travelled 2,000 business miles during the year and received £600 (2,000 miles at 30p a mile) from his employer.

Michael can claim tax relief to the extent that his business motoring costs for the year came to more than his mileage allowances. As explained on page 4 Michael can choose how to work out his motoring costs in order to compare them with his mileage allowances. He can

- use the simple method (see page 5), using our authorised mileage rate for the engine size of his car. This would give a figure of £700 (2,000 miles at 35p per mile). Deducting the £600 mileage allowances he received, Michael could claim relief on the difference of £100

- use the exact method (see page 8), keeping a record of his actual motoring costs and using them to work out his business motoring costs for the year. Relief would be on that amount less the mileage allowances he was paid for his business travel.

Your employer operates a Fixed Profit Car Scheme (FPCS)

An FPCS is a special reporting arrangement which employers can use if they pay car or mileage allowances at a level higher than our authorised mileage rates.

An employer who operates an FPCS will give the necessary details to your Tax Office, so they can review your tax liability for the preceding tax year and make any necessary adjustments to the estimate in your current year's PAYE tax code.

By 6 July after the end of the tax year, your employer will give you details of

- the amount reported to the Tax Office under the FPCS,

or both of the following

- the total amount of the car or mileage allowance paid to you in the year for your business travel, and

- the total number of business miles for which the allowances were paid.

Remember that the information your employer has reported under the FPCS relates to the mileage allowances you have been paid which, as in the example of Jack on page 7, may not cover all your business mileage.

If you are happy with the figure your employer has reported under the FPCS, you do not need to do anything other than include it in box 1.15 of your tax return, if you get one.

Otherwise, you can use either our authorised mileage rates for the engine size of your car (the simple method), or your actual motoring costs (the exact method) to work out your business motoring costs for the year and use that figure on your tax return instead.

Your employer operates a Car Allowances Enhanced Reporting Scheme (CAERS)

Like the FPCS, the Car Allowances Enhanced Reporting Scheme (CAERS) is for employers who pay mileage allowances at a rate that is higher than our authorised mileage rates. The difference is that, under a CAERS, the figure that your employer reports to the Tax Office takes account of all your business mileage, including any for which you were not paid an allowance.

In effect, therefore, your employer works out for you - on exactly the same basis as Ann and Jack in the examples on pages 6-7 - whether, overall, there is a taxable profit on your mileage allowances or whether there is tax relief due for your business motoring costs. The Tax Office will use the information provided by your employer to review your tax liability for the preceding tax year and to make any adjustment needed to the estimate in your current year's PAYE tax code.

By 6 July after the end of the tax year, your employer will give you details of

- the amount of taxable profit or tax relief for business motoring costs reported to the Tax Office (which you will be able to check against your PAYE tax code)
- the total amount of the car or mileage allowance paid to you in the year for your business travel, and
- your total business mileage for the year.

If you are happy with the figure reported under CAERS, you do not need to do anything other than enter it in your tax return if you get one. If it is a taxable profit enter it in box 1.15; otherwise, enter it in box 1.32.

Even if your employer operates CAERS, you can still work out your tax position using the exact method, and use that figure instead, if you want to.

What information should I give the Inland Revenue?

It depends on whether or not you get a tax return.

If you receive a tax return

Using this leaflet, you should decide which method you want to use to work out if you have a taxable profit on your car or mileage allowances or if you can get relief for business motoring costs. You can then enter the total in the employment pages in box 1.15 or 1.32 of your tax return, whichever is appropriate.

If you do not receive a tax return

Your employer normally tells your Tax Office what car or mileage allowances you were paid in the tax year, and we will usually collect any tax that is due through your PAYE tax code.

However, if you think you should get tax relief, send us your calculation using either the simple or the exact method. Remember to include in your calculation the car or mileage allowances you received from your employer in the tax year. Send it by letter to your Tax Office, or ask for the Expenses Claim form P87.

Your questions answered

Here are some questions we are often asked by people who use their own cars for business travel.

What records do I need to support a claim for tax relief?

If you are going to claim using the simple method (see page 5), you will need to keep records of your business mileage for the year and the mileage allowances you were paid by your employer. You can use the log-sheet on page 23 to record this information.

To claim relief using the exact method (see page 8), you will also need to know your total (business and private) mileage for the year and be able to show what you have paid out. So you will need to keep receipts of all your motoring costs.

There may be occasions when you do not get a bill or receipt, especially where the amounts are small. If this happens, you should make a brief note as soon as you can of the amount you spent, when you spent it and what it was for.

If you do get a receipt or other evidence, you may have to give it to your employer when you put in your claim for reimbursement. You should keep details of these expenses.

Do the authorised rates include any allowances for loan or hire purchase interest?

No

Can I get separate tax relief for loan interest to buy my car?

If you take out a loan to buy a car which you use for business travel , you can get tax relief for some of the interest you pay. In the same way as for your motoring costs, you can get tax relief for the proportion of interest relating to your business travel. So if you drive 20,000 miles in the tax year of which 5,000 were on business, you can get tax relief for a quarter of the interest.

You can get relief for three years after the year in which you took out the loan. If you took out the loan in January 1999, you could get tax relief for the years 1999-2000, 2000-2001 and 2001-2002.

If you buy the car under a hire purchase agreement the position is slightly different. You can get tax relief for the part of your instalments that is equivalent to interest. Relief is available for the whole of the period the agreement runs.

Whether you buy your car with a loan or by hire purchase, you can only include the interest part of what you pay when you make your claim for tax relief. You cannot include the repayment part of the loan or hire purchase instalments themselves.

You can make a claim for tax relief by entering the amount you wish to claim in box 1.32 of your tax return, or on the Expenses Claim form P87, which you can get from any Tax Office.

Can I get relief for the costs of cleaning my car?

No.

Can I get help towards the cost of travelling to a training course?

- If your employer pays for, or reimburses you for travel to work-related training, you will not have to pay tax on the amount paid or reimbursed, but you cannot get relief for any part of the cost of travel that exceeds the amount paid or reimbursed by your employer.

- Work related training does not include any training you receive as a reward or inducement. For example, you cannot claim the costs of travelling to a conference in Paris which has been offered to you as a reward for being one of the top ten sales persons.

- If you are attending a training course which is not provided by or paid for by your employer, you will be able to claim the costs of that training provided you meet certain conditions (this is set out in Extra Statutory Concession (ESC) A64 - see our booklet IR1 on ESCs). If this concession applies to you, you will also be able to claim relief for the full cost of daily travelling to and from the course. If you have to stay away from home during the week, you can claim the full cost of the return journey at the weekend. If it is impractical to go home at the weekend, you can claim for the full cost of two return journeys each academic term.

- If you are paying for your own training course, and claiming Vocational Training Relief on the payments you make (see our leaflet IR119 - 'Tax relief for vocational training'), you cannot also get relief for any travelling costs for that training.

You can make a claim for any relief by entering the amount you wish to claim in box 1.32 of your tax return, or on the Expenses Claim form P87, which you can get from any Tax Office.

Business mileage/mileage allowances

You can use this log-sheet to keep a record of your business mileage for the year and the mileage allowances you are paid by your employer.

Date of business journey	Journey details	Total business miles	Mileage allowances received

Remember, if you claim relief for your actual motoring costs, rather than using our authorised mileage rates, you will need to keep receipts for all your motoring costs.

These notes are for guidance only and reflect the tax position at the time of writing.
They do not affect any right of appeal about your own tax.

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